

Message Text

CONFIDENTIAL

PAGE 01 PEKING 01231 031008Z

21

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

NSCE-00 SAJ-01 SAM-01 EB-07 COME-00 OMB-01 TRSE-00

AGR-05 FMC-01 TAR-01 STR-04 CIEP-01 FRB-03 /081 W

----- 040551

R 030645Z JUL 75

FM USLO PEKING

TO SECSTATE WASHDC 3985

INFO AMCONSUL HONG KONG

RUEHTRXXAMEMBASSY TAIPEI 515

AMEMBASSY CANBERRA

AMEMBASSY WELLINGTON

AMEMBASSY TOKYO

CINCPAC FOR POLAD

C O N F I D E N T I A L PEKING 1231

E.O.11652: GDS

TAGS: ETRD, PFOR, CH, NZ

SUBJ: NEW ZEALAND TRADE MINISTER FREER'S VISIT TO THE PRC

REF: PEKING 1221

SUMMARY AND INTRODUCTION. DURING HIS JUNE 11-20 VISIT TO THE PRC, NEW ZEALAND TRADE MINISTER WARREN FREER HELD DISCUSSIONS WITH VICE PREMIER KU MU AND FOREIGN MINISTER CHIAO KUAN-HUA ON POLITICAL AND ECONOMIC MATTERS, SIGNED A TRADE MARK AGREEMENT, AND VISITED THE TAKING OIL FIELD.

FREER, WHO WAS SEVERLY CRITICIZED AT HOME FOR HIS FIRST VISIT TO CHINA IN THE FIFTIES, WAS ALSO INVITED TO AN UNUSUAL PRIVATE DINNER WITH FOREIGN TRADE MINISTER LI CHIANG. THE FOLLOWING INFORMATION WAS PROVIDED USLO BY OFFICERS FROM THE NEW ZEALAND EMBASSY IN PEKING WHO PARTICIPATED IN THE VISIT. END SUMMARY AND INTRODUCTION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 01231 031008Z

1. POLITICAL DISCUSSIONS. FREER'S JUNE 18 MEETING WITH VICE PREMIER KU MU WAS DESCRIBED AS A DESULTORY AFFAIR FOR WHICH KU SEEMED TO HAVE BEEN INADEQUATELY BRIEFED. KU APPEARED UNCERTAIN ABOUT WHO FREER ACTUALLY WAS AND HIS IMPATIENT AND DISINTERESTED MANNER MADE FOR SOME EMBARRASSING GAPS DURING THE THIRTY MINUTE COURTESY CALL. BY CONTRAST, FOREIGN MINISTER CHIAO WITH WHOM HE MET THE DAY BEFORE APPEARED WELL INFORMED ABOUT NEW ZEALAND, BUT GAVE FREER THE STANDARD CHINESE LINE THAT NEW ZEALAND, AUSTRALIA AND THE ASEAN COUNTRIES SHOULD ALL INCREASE THEIR VIGILANCE AGAINST THE MAJOR THREAT TO ASIAN SECURITY POSED BY THE SOVIET UNION. CHIAO ADDED THAT MANY PEOPLE NOW SEEMED EXCITED ABOUT THE EFFECT OF EVENTS IN INDOCHINA ON ASEAN COUNTRIES, BUT SAID "JUST BECAUSE INDOCHINA HAD GONE RED, CHINA DID NOT EXPECT THE REST OF SEA TO FOLLOW."

2. TRADEMARK AGREEMENT. ALSO ON JUNE 18, FREER AND PRC TRADE MINISTER LI CHIANG EXCHANGED LETTERS CONFIRMING AN AGREEMENT ON RECIPROCAL REGISTRATION OF TRADE MARKS. INITIATIVE FOR THE ACCORD CAME FROM THE NEW ZEALANDERS WHO FIRST RAISED THE ISSUE DURING THE SINO-NEW ZEALAND JOINT TRADE COMMISSION TALKS IN APRIL, 1975. ACCORDING TO NEW ZEALAND COMMERCIAL OFFICER G. CHEYNE, THE AGREEMENT IS OF LITTLE IMPORTANCE TO HIS COUNTRY SINCE ONLY TWO APPLICATIONS TO REGISTER PRC TRADEMARKS HAVE BEEN FILED IN NEW ZEALAND IN THE PAST TWO YEARS. THE NEW ZEALANDERS FELT IT WAS IMPORTANT, HOWEVER, TO HAVE AT LEAST ONE AGREEMENT CONCLUDED DURING THE VISIT. CHEYNE SAID THE CHINESE SEEMED "DELIGHTED" WITH THE IDEA AND HE BELIEVES CHINA IS NOW INTERESTED IN CONCLUDING SUCH AGREEMENTS WITH AS MANY COUNTRIES AS POSSIBLE.

3. THE USE OF AN EXCHANGE OF LETTERS AND THE LANGUAGE OF THE AGREEMENT IS SIMILAR TO THOSE SIGNED WITH CANADA AND OTHER COUNTRIES. THE OPERATIVE PARAGRAPH OF FREER'S LETTER TO LI CHIANG READS AS FOLLOWS, "I NOW HAVE THE HONOUR TO PROPOSE THAT AN AGREEMENT BE REACHED BETWEEN OUR TWO GOVERNMENTS WHEREBY CORPORATIONS, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PEKING 01231 031008Z

ENTERPRISES AND NATIONALS OF EITHER COUNTRY MAY, ON THE BASIS OF EQUALITY AND MUTUAL BENEFIT, APPLY FOR THE REGISTRATION OF ANY TRADE MARK IN THE OTHER COUNTRY AND, IN ACCORDANCE WITH THE LAWS AND REGULATIONS IN FORCE IN THAT OTHER COUNTRY, ACQUIRE THE RIGHT TO EXCLUSIVE USE OF REGISTERED TRADE MARKS."

4. SHIPPING TAXES. ANOTHER ITEM WHICH WAS FIRST

DISCUSSED BY THE JOINT COMMISSION AND LATER AGREED TO IN PRINCIPAL DURING THE VISIT WAS A NEW ZEALAND PROPOSAL FOR MUTUAL EXEMPTION FROM CERTAIN EXPORT AND MARITIME TAXES CHARGED BY THE TWO COUNTRIES. AGAIN THIS IS OF LITTLE IMPORTANCE TO NEW ZEALAND, BUT WOULD BENEFIT THE CHINESE SINCE PRC SHIPS CALL REGULARLY AT NEW ZEALAND PORTS. WHEN FORMALLY CONCLUDED THE AGREEMENT WILL PROBABLY TAKE THE FORM OF AN AMENDMENT TO THE SINO-NEW ZEALAND TRADE AGREEMENT EXTENDING MFN TREATMENT TO MARITIME TAXES AS WELL AS TARIFFS. DURING THE DISCUSSIONS, THE CHINESE OFFERED TO CONCLUDE A FULL-SCALE MARITIME AGREEMENT, BUT THE NEW ZEALANDERS WERE NOT INTERESTED BECAUSE OF PROBLEMS IT WOULD CREATE WITH NEW ZEALAND LABOR UNIONS.

5. EXCHANGE OF MISSIONS. PERHAPS THE MOST IMPORTANT AGREEMENT REACHED DURING THE VISIT PROVIDES FOR A MUTUAL EXCHANGE OF TWO OR THREE COMMERCIAL MISSIONS EACH YEAR. NEW ZEALAND EXPORTS HAVE BEEN HEAVILY BIASED IN FAVOR OF AGRICULTURAL COMMODITIES AND THE NEW ZEALANDERS HOPE THESE MISSIONS WILL ENABLE THEM TO INTRODUCE INDUSTRIAL PRODUCTS, ESPECIALLY AGRICULTURAL MACHINERY TO THE PRC. THE CHINESE ALSO SEE THESE MISSIONS AS AN OPPORTUNITY TO INCREASE THEIR EXPORTS AND HAVE ALREADY SENT THEIR FIRST MISSION, A TEXTILE DELEGATION TO NEW ZEALAND.

6. PETROLEUM. DURING THE VISIT, THE CHINESE AGAIN RAISED THE POSSIBILITY OF EXPORTING CRUDE OIL TO NEW ZEALAND AND INVITED FREER TO VISIT THE TAKANG OIL FIELD. LAST YEAR SAMPLE SHIPMENTS OF CRUDE OIL FROM CHINA'S TACHING AND SHENGLI FIELDS PROVED INCOMPATIBLE WITH NEW ZEALAND REFINERIES AND THE NEW ZEALANDERS EX-

CONFIDENTIAL

PAGE 04 PEKING 01231 031008Z

PRESSED INTEREST ONLY IN LIMITED SHIPMENTS WHICH MIGHT BE MIXED WITH OIL FROM THE MIDDLE EAST. THE NEW ZEALANDERS WERE INTERESTED, HOWEVER IN REFINED PETROLEUM PRODUCTS SUCH AS KEROSENE, GASOLINE, LUBRICANTS AND JET FUEL WHICH THE CHINESE SAID MAY BE AVAILABLE FOR EXPORT NEXT YEAR. (FOR A REPORT ON THE TAKANG OIL FIELD, SEE PEKING 1221).

7. TRADE DEVELOPMENTS. SEIZING UPON A RECENT SPATE OF NCNA ARTICLES CLAIMING THAT NEW ZEALAND'S CURRENT ECONOMIC DIFFICULTIES ARE A RESULT OF OVER DEPENDENCE ON MARKETS IN THE U.S. AND WESTERN EUROPE, FREER TOLD THE CHINESE THAT AN INCREASE IN EXPORTS TO CHINA WOULD HELP NEW ZEALAND ESTABLISH A MORE INDEPENDENT FOREIGN AND TRADE POLICY. FREER ALSO POINTED OUT THAT THE LABOR GOVERN-

OYHENT'S RECOGNITION OF THE PRC IS A CAMPAIGN ISSUE IN NEW ZEALAND'S UPCOMING ELECTIONS AND AN INCREASE IN SALES TO THE PRC WOULD HELP DEMONSTRATE THE CORRECTNESS OF LABOR'S CHINA POLICY. ACCORDING TO CHEYNE, THE CHINESE APPEARED TO TAKE THESE ARGUMENTS SERIOUSLY AND HAVE RESPONDED BY LOOKING FOR WAYS TO INCREASE THEIR IMPORTS DESPITE A \$2.5 MILLION NEW ZEALAND TRADE SURPLUS LAST YEAR.

8. COMMENT: ALTHOUGH SINO-NEW ZEALAND TOTAL TRADE HAS INCREASED RAPIDLY FROM \$8.3 MILLION IN 1972 TO \$45 MILLION LAST YEAR, CONSCIOUS EFFORTS WILL BE REQUIRED ON BOTH SIDES TO MAINTAIN THIS MOMENTUM. EXPORTS OF NEW ZEALAND WOOL TO CHINA DECLINED THIS YEAR AS A RESULT OF A CORRESPONDING DROP IN PRC TEXTILE EXPORTS CHINESE SALES TO NEW ZEALAND ARE RESTRAINED BY A COMPLICATED SYSTEM OF QUOTAS AND LICENSING ARRANGEMENTS. AN EXPANSION OF NEW ZEALAND SALES OF INDUSTRIAL PRODUCTS SUCH AS MACHINERY AND PAPER PULT AND AN INCREASE IN PURCHASES OF CHINESE PETROLEUM, LUMBER AND OTHER PRODUCTS COULD, HOWEVER, PROVIDE THE BASIS FOR A GROWING THOUGH STILL LIMITED TRADE BETWEEN THE TWO COUNTRIES.
BUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, MINISTERIAL VISITS, DIPLOMATIC DISCUSSIONS, POLITICAL SITUATION, TRADEMARK AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PEKING01231
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750230-0975
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750787/aaaadaek.tel
Line Count: 192
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 PEKING 1221
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUL 2003 by CunninFX>; APPROVED <12 NOV 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW ZEALAND TRADE MINISTER FREER'S VISIT TO THE PRC
TAGS: ETRD, PFOR, CH, NZ, (FREER, WARREN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006